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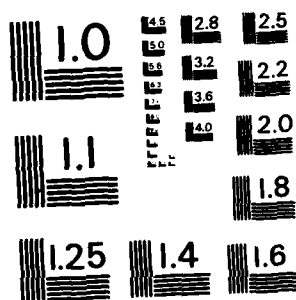
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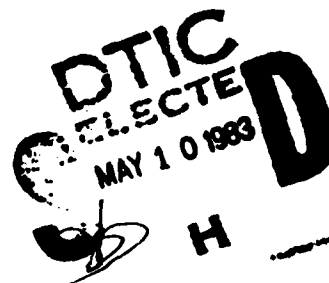
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IMPROVED MANAGEMENT OF SUPPORT RESOURCES

April 1983

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EXECUTIVE SUMMARY

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Improving the management of support resources for major weapon systems is a crucial goal for the Department of Defense. The problem of weapon systems being inadequately supported in the field because of fragmented decision making in the allocation of support resources (e.g., spares, support and test equipment) was addressed in DoD Acquisition Improvement Initiative #30. New management procedures to help correct this problem have been tested over the past year and a half. During the test, the Military Departments provided the Office of the Secretary of Defense (OSD) with data that summarized the support resources required by and allocated to nine sample weapon systems. These data were reviewed by OSD at key points in the Planning, Programming and Budgeting (PPB) process.

→ Based on our evaluation of the test results, we recommend that the procedures used in the program and budget trial reviews be formalized and implemented in future PPB cycles. They have proven to be both feasible and beneficial. They provide OSD with an opportunity to improve its review of program and budget support resource allocations; more importantly, they have provided an impetus for the Military Departments to begin to make significant improvements in their internal management of weapon support during program and budget development. To take full advantage of the implementation of Initiative #30, we also recommend that the Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) (OASD(MRA&L)) strengthen its weapon system perspective and concentrate more attention on weapon support during program and budget reviews. OASD(MRA&L) now focuses almost exclusively on generic functional aspects of program submissions (e.g., supply, training,

maintenance) and too little effort is spent on individual weapon support. For this reason, the functional expertise within OASD(MRA&L) is not fully brought to bear on weapon support and readiness issues during key points of the PPB process. Finally, we recommend that OSD monitor the progress of the Military Departments in implementing their plans for improved internal management of support resources.

These recommendations are based on two main findings. First, it is feasible for the Military Departments to pull together most of the requested support data on selected weapon systems. However, this task is difficult for the Army and Navy to accomplish because they do not have systematic and automated procedures to produce the data. The Air Force does have such systems. Second, OSD was able to evaluate the support data for selected weapon systems and to influence the resource allocation decisions made in both the program and budget reviews. However, OSD's capability to review and validate weapon support requirements could be improved with a more balanced effort between functional and weapon system issues. Remedying this imbalance will become more important as the number of weapon systems to be reviewed increases above the nine sample systems treated in the trial stage; the FY85-89 Program Objective Memoranda (POM) Preparation Instructions, for example, call for support information on 27 major weapon systems.

We recognize that our recommendations require some changes and additional effort within both OSD and the Military Departments. The effort to make the changes will be more than outweighed, however, by the eventual benefit to weapon system readiness that will result from carrying Initiative #30 through successful implementation.



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1. BACKGROUND

Initiative #30 (Item "G") of the 30 April 1981 Deputy Secretary of Defense memorandum on acquisition (Reference 1) requires the Office of the Secretary of Defense (OSD) and the Military Departments to take actions to improve the management of support resources for major weapon systems and to increase the involvement of Program Managers in the process. Responsibility for following up this decision was assigned to the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) (ASD(MRA&L)) with assistance from the Assistant Secretary of Defense (Comptroller) (ASD(C)). An OSD/Service Steering Group and a working group were established to oversee implementation. The Initiative called for the Services to develop internal procedures for increased Program Manager involvement and improved visibility of support resource requirements and readiness objectives for the 20 to 30 weapon systems entering or in early production at any given time. It also called for OSD to conduct a single, integrated review of support associated with individual weapon systems during key stages of the Planning, Programming and Budgeting System (PPBS) process. The Initiative required a two-year trial period for the implementing procedures.

One of the first actions of the OSD/Service working group was to define the categories of support resources to be considered in the trial period (Reference 2). The nine categories chosen are shown in Table 1-1. The definitions of each of the categories are given in Appendix A. (An additional support category, Manpower, was originally included as an element of support but later dropped to simplify the initial trial procedures. It was to be considered for possible inclusion after the trial period was over and a decision had been reached on the final implementation of Initiative #30.)

TABLE 1-1. INITIATIVE #30 SUPPORT CATEGORIES

1. Spares and Repair Parts	6. Contractor Support
2. Support and Test Equipment	7. Facilities
3. Training and Training Devices	8. Integrated Logistic Support Management and Analysis
4. Publications and Technical Data	9. Other Support-Related Requirements
5. Depot Repair	

Data were requested by OSD for the trial reviews in each of the support categories for both the "required resources" and the "funding" for these resources over time. The "required resources" by year are those resources necessary for the weapon system to meet its specified, scheduled readiness goals. The "funding" by year are those resources that are actually included in the official Service resource allocation document, i.e., either the Service Program Objective Memorandum (POM) or the Service budget.

TRIAL REVIEWS

Trial procedures were developed for an integrated OSD review of major weapon systems' support resources during the overall OSD review of Service programs (POMs) and budget submissions. These reviews were "integrated" in the sense that the appropriate staff offices of the ASD (MRA&L), ASD(C), and the Director Program Analysis and Evaluation (DPA&E) would review the submitted weapon support data, and their comments would be consolidated and summarized for inclusion in an issue paper or Program Budget Decision (PBD) as appropriate. Formerly no organized or formal procedures existed to tie these various staff review efforts together, and as a result weapon system support received very spotty, disjointed and sometimes inconsistent coverage at key points in the PPBS.

The trial procedures have been tested three times in the past year and a half. The weapon systems included in these trials are shown in Table 1-2. The first trial was in the final stages of FY83 budget formulation (October-December 1981). The second trial was in parallel with the FY84-88 Program review (May-July 1982). The latest trial was during the FY84 budget review (October-December 1982).¹

TABLE 1-2. WEAPON SYSTEMS INCLUDED IN TRIAL REVIEWS

Trial Review	Service		
	Army	Navy	Air Force
FY83 Budget	M-1, AAH-64	F/A-18A, Aegis	GLCM, B-1
FY84-88 Program	M-1, MLRS, UH-60A	F/A-18A, Aegis, Tomahawk	GLCM, EDS, NGT
FY84 Budget	M-1, MLRS, UH-60A	F/A-18A, Aegis, Tomahawk	GLCM, EDS, NGT
MLRS = Multiple Launch Rocket System GLCM = Ground Launched Cruise Missile EDS = European Distribution System NGT = Next Generation Trainer			

Procedures for the FY85-89 program review to be held this Spring have been finalized and included in the POM Preparation Instructions (PPI) for FY85-89 (Reference 5). The upcoming POM review will conclude the Initiative #30 two-year trial period.

This report synthesizes our previous evaluations, along with the trial results and the experience gained over the last year and a half. Our evaluation focuses on three areas:

- (1) the feasibility of identifying support resources by weapon system,

¹ LMI evaluation reports were issued after each of the first two trials (References 3 and 4).

- (2) the feasibility of involving the program manager in the PPB System, and finally,
- (3) the feasibility and utility of a consolidated OSD review of support requirements and resources by weapon system.

We discuss these areas in Chapter 2. Our recommendations for the final implementation of Initiative #30 are given in Chapter 3.

2. FINDINGS AND CONCLUSIONS

MANAGEMENT GOAL

Initiative #30 is concerned with improving the management of major weapon systems' support resources. To achieve this goal, two steps must be taken. First, the required and the funded resources in each of the support categories must be identified, and the impact of any resource shortfalls on system readiness quantified. Second, the resource allocation decision-making process, both within the Services and OSD, must be influenced by these data to ensure that a balanced level of funding across the support categories is provided. The bottom-line objective is to acquire the highest level of readiness possible for the total amount of resources available.

The first step, that of identifying and summarizing the support resource requirements and funding for individual weapon systems during the Planning, Programming and Budgeting (PPB) cycle, had not been done in a systematic way prior to Initiative #30. Much of the information had not been reported regularly by weapon system at all. Instead functional support categories, such as replenishment spares or training equipment, were reported as totals that included resources for all weapon systems. Whether or not allocation to specific weapons was adequate, consistent with current program schedules, or made at all, could not easily be determined.

Because support information by weapon system has not been previously reported to OSD during the program or budget reviews, there has been no systematic review at the OSD level of support for individual weapon systems. To varying degrees, the same has been true within the Military Departments. One result was that support resource decisions made during OSD reviews could not be easily related to their effects on individual weapon systems or forces.

An equally serious problem was that decisions affecting one category of support, such as spares, were often made in isolation from and inconsistent with other decisions affecting related support resources, for instance, test equipment and training devices. This could result in an unbalanced support program where, for example, funding for spares would be made available but the means to make proper use of the spares would not be funded. Improving and coordinating the review of support resources to assure that a weapon system's support is in balance over all categories of support is the second step in Initiative #30.

SERVICE RESPONSIBILITIES

One of the primary Military Department responsibilities in Initiative #30 was to first identify and then to collect the requirements and funding data in each of the support categories for selected weapon systems. A corollary to this responsibility is to assure that the requirements are based on the readiness goals established for the weapon systems. The other primary Military Department responsibility was to increase the involvement of Program Managers in the support resource decision process throughout the PPBS cycle. Experience gained in the three trial reviews, review of the Service implementation plans provided to OSD (see Appendix B), and discussions with Service personnel are the basis for the following conclusions on Service progress in these two areas.

Identifying Requirements and Funding

The Military Departments demonstrated in the trial period that it was feasible to identify the requirements and funding in most of the support categories for the selected weapon systems. The principal exception is common equipment. Resources for common Spare and Repair Parts and, in some cases,

for common Support and Test Equipment could not usually be broken out by weapon system.

Although it was feasible for all three Military Departments to identify most of the support resources called for, it was difficult for the Army and Navy to do this routinely because they do not have formalized or fully automated systems that contain the data. This made it necessary to rely principally on ad hoc and manual methods for producing the data. One of the limitations of these methods became evident when the production rates for several weapon systems were changed late in the Service resource allocation process. Such changes occurred in the M-1 tank and the F-18 fighter programs during the final stages of POM 84-88 development. As a result, in the case of the M-1, no data were turned in. In the case of the F-18, only the FY84 data were available and these were delayed. More structured, automated systems will be necessary if future support resource determinations are to be responsive enough to effectively support both internal Service resource allocation decisions as well as OSD reviews.

Two other factors affect how readily the Services can supply the weapon system support data called for by Initiative #30. One is the degree to which the data system for the support information is tied to the data systems used to develop Service programs and budgets. The other is the extent to which the responsibility and lines of communication for producing the support requirements and resource information are clearly defined.

In the Air Force the system from which the Initiative #30 data are extracted is the system that is used in the programming and budget process, the Program Decision Package (PDP) system. The PDP is a decision document that describes an independent portion of the total Air Force program (such as a

weapon system) in terms of the resources needed for that program portion.¹ It also describes proposed alternatives to the current program. Programming resource allocation deliberations and decisions are made in terms of PDPs. The PDPs are updated often (daily, in some cases) during the POM development phase and on an as-needed basis throughout the remainder of the PPBS cycle. Each PDP is monitored and kept up to date by a designated PDP monitor on the Air Staff. The PDP monitor is therefore slated to play a major role in implementing the Initiative. Also the Assistant Program Manager for Logistics (APML) is slated to play an important role in determining and reporting the requirements for the system.

In the Army the main data source for the trial reviews was the Functional Program Decision Increment Package (FPDIP) system. This system is an expansion of the PDIP system used in Army programming. Weapon system PDIPs in general contain program-associated R&D, Procurement and O&S funding. Functional PDIPs include funding for Associated Support Items or Equipment (ASIOE) as well. The FPDIP could be a useful source of much of the Initiative #30 data, but it is not yet entirely automated nor does it cover all weapon systems of interest. For the FY85-89 POM, the Army plans to use a new system to add ASIOE to weapon system PDIPs. The Army staff will identify critical items of ASIOE and include them as nonadditive memorandum entries to the weapon system PDIPs. This new system will be used for 13 systems including the 9 required for Initiative #30.

For the development of the POM 85-89 support data, the Army has modified the Modernization Resource Information Submission (MRIS), a document which provides the OMA (Operations and Maintenance, Army) and MCA (Military

¹PDPs differ from the FYDP program elements (PEs) in that a PDP may contain more than one PE.

Construction, Army) input to the PDIP. The modification requires the use of standard cost element definitions and identifiers by all of the Army Major Commands, and should make it easier to use the automated MRIS data base in implementing Initiative #30.

The Army also has a number of long-range initiatives under way to improve the management of Integrated Logistics Support (ILS). The basic thrust of these initiatives is to identify and establish ILS funding needs in terms that are directly relatable to the Army program and budget. This will be done by aligning the elements of the various cost and management structures used in the Army.² An effort is also under way to assure that these Army initiatives and Initiative #30 are consistent and mutually supportive.³ If successful, the Army implementation of Initiative #30 as well as the Army's internal management of ILS will be greatly strengthened.

Because the Army long-range initiatives are not yet precisely defined, the specific responsibilities for implementing Initiative #30 have not yet been formally assigned.

The source for the Navy's Initiative #30 data will be the Navy's new ILS assessment program (Reference 6). The ILS assessment program involves three steps. First, project offices are responsible for recording the support resource requirements for their system in the ILS Resource Requirements Format

²For example, the elements of the Baseline Costs Estimate used in preparation for DSARCs are being aligned with the Army Management Structure (AMS) used in the PPB system. The elements of the Work Breakdown Structure used in contracting are also being aligned with those in the AMS.

³As part of this effort, the Army has suggested changes to some of the definitions of the support elements used in Initiative #30. (See Appendix B.) We suggest that, although these changes make the definitions unnecessarily restrictive for general use by all Services, they be used by the Army if this will simplify their implementation of Initiative #30 and tie it more closely to other Army management systems.

(ILSRRF). The Logistics Assessment Sponsor (OP401) then evaluates these requirements and determines what funding has been programmed by the Navy Resource Sponsors to meet the requirements. Finally OP401 acts as a proponent for the support funding during the resource allocation deliberations which eventually lead to the Navy POM. The Navy plans for the Initiative #30 requirements data to be extracted from the ILSRRF, and for OP401 to provide the Initiative #30 funding data on the basis of program decisions. The data systems, such as the ILSRRF, which support the ILS assessment program are not now automated. It is also not clear how the procedure and data will be linked to the budgeting phase of the Navy PPBS.

Based on the above findings, we conclude that the Air Force has a workable system in place for identifying the necessary Initiative #30 support data. The system is tied into the Air Force's internal data systems used for the programming and budgeting process, and responsibilities for making the system work are well-defined and reasonable.

The Army FPDIP is a possible source for Initiative #30 data but the system is not yet fully mature. Further, while the FPDIP is linked to the programming system, a more direct link to the budgeting system needs to be established. A number of other longer-term improvement efforts are under way which should eventually contribute to Initiative #30.

The Navy ILS assessment program is a good first step toward identifying Initiative #30 requirements and funding. The process is not automated and will require substantial manpower to make it work. In addition, the link to budget development needs further definition. Responsibilities in the programming phase have been assigned and are reasonable.

As a final observation, the initial Service difficulties in developing weapon support information, as noted during the Initiative #30 trial, were a

cause for concern beyond the limitations they placed on the OSD review. The more serious concern is that an inability to identify and track support resources during internal Service PPBS deliberations reduces the chances of producing balanced program and budget proposals. Service progress in improving their internal ability to develop timely and accurate Initiative #30 data, therefore, can be viewed as progress toward improved POM and budget development.

Involving the Program Manager

A major goal of the original Initiative was to give the Program Manager better visibility of and a stronger role in the resource allocation decisions that affect support for his weapon system. It was felt that, in this way, Program Managers could act more effectively as advocates for full support of their systems.

Program office personnel, formerly not involved in overall support issues during the PPB process, have in some cases already benefitted from involvement in the Initiative #30 trials. One of the benefits cited was simply that of periodically bringing together all support resource requirements and funding. This produced a clearer appreciation for the extent to which the ultimate success of a program depends on resources controlled by others. Increased communication with other offices controlling these resources was also cited as a major benefit. In two program offices for weapon systems that were at an early stage of acquisition, the personnel responsible for logistics felt that early formal identification of all support resources requirements would help to ensure that explicit consideration was given support needs during subsequent resource deliberations. It could also deter shifting of program funds from support to other portions of the program.

In terms of specific procedures to involve program managers more in support resource decisions, the Air Force plan specifically identifies the assistant program manager for logistics (APML) as the key person in the implementation. Headquarters, Department of the Army plans to provide the Program Offices with a "final report" of support funding status when the submissions are made to OSD. In the Navy, Program Managers will be informed of what is happening to support resources by means of the ILS assessment program. The prime Navy focal point will be the Logistics Resource sponsor (OP-04), who is considered a major advocate for support in the Navy.

OSD RESPONSIBILITIES

As part of Initiative #30, OSD was required to conduct a single, integrated review of support associated with individual weapon systems during key stages of the PPB process. The actions taken as a result of the trial reviews at OSD did affect the resource allocation process. For example, an issue paper was written to correct a shortfall that had been identified in the support of the F-18 during the Initiative #30 FY84-88 program review. This issue was considered and acted upon by the Defense Resources Board (DRB) in its POM deliberations. In addition, as a result of the Initiative #30 review of the FY84 budget, a PBD was written to correct a shortfall in F-18 test equipment. That PBD was also acted upon by the DRB to correct the shortfall (References 7 and 8).

The trial reviews have demonstrated, therefore, that it is possible for OSD to evaluate support issues for individual weapon systems in a fashion timely enough to influence resource allocation decisions during POM and budget reviews. It was also shown that the procedures used made it possible to identify specific shortfalls in support resources for individual weapon systems. Previously the systematic identification of weapon-system-specific support issues had not been possible.

The support issues identified during the test period, however, were limited to those highlighted in the Service data submissions where requirements were shown to be greater than funding. The OSD staff did not identify any issues based on its own independent evaluation or verification of the support data provided by the Services. One reason was that the participants in the OSD review were primarily members of a limited ad hoc group established to review the Initiative #30 test procedure data submission. Participation of all relevant OSD functional offices did not take place. Because of the limited participation of some of the key functional offices, the ability of OSD to independently identify issues or verify requirements across all nine categories was not demonstrated.⁴

The focus and staff effort within OASD(MRA&L) during program and budget reviews is almost totally concerned with functional issues involving the Military Departments' supply system, transportation system, training base, depot structure, maintenance system, etc. Therefore, during the trial review the effort applied to evaluating the adequacy of these support functions for individual weapon system or military force units⁵ was extremely limited. While generic functional issues are of great importance and must continue to be treated, it is our belief that a more balanced review process, including increased attention to weapon systems would be more productive and more effective. Initiative #30 requires OSD to conduct integrated reviews of

⁴A special review of support for the F-18 was conducted during the FY84 budget review. Representatives from functional offices within OASD(MRA&L) and from OASD(C) attended the review and the PBD on the F-18 resulted. Even in this review, however, there was a limited ability to verify the requirements and the funding which the Navy presented.

⁵Since certain aspects of the operation and support of specific weapon systems are best viewed in the context of their organizational force units (e.g., tank battalions or aircraft squadrons), the term weapon system in this context means individual weapons or their appropriate force units.

individual weapon support data at key points in the PPB process; it also provides OSD an opportunity to rebalance its review and evaluation efforts and place more emphasis on weapon systems.

We believe more attention to specific weapon systems within all functional OASD(MRA&L) staff offices would be beneficial for three reasons. First, it would assure that the functional expertise within OSD is more effectively brought to bear on important, technical support issues. It is within the functional offices that most expertise in supply, maintenance, training, etc., resides. With the active participation of these offices in the review of Initiative #30 data, it is more likely that their experience and skills will be brought to bear.

Second, there are few major support issues of concern to OSD that are limited to one functional area. The increasing interdependence of supply, maintenance, training, and test equipment, and the opportunities for trade-offs among these areas means that support issues are generally system issues. As an illustration of this point, during the Initiative #30 trial period, an unrelated study (Reference 9) of M-1 maintenance requirements was conducted. That study determined that over 70 percent of nondivisional maintenance for the M-1 tank has been assigned to Army National Guard and Army Reserve units. Even though there were no identifiable resources in the Army program or budget to train these units or to provide tools, test equipments, spare parts, and technical manuals, the support shortfall was not identified by any of the cognizant OSD functional offices. A stronger weapon system perspective and a more integrated review would make this kind of support imbalance more visible during Initiative #30 reviews. The fact that this problem also escaped notice within the Army suggests that it, too, could benefit from a stronger weapon system perspective when programming and budgeting for support.

Finally, a stronger weapon system perspective would help provide a link between support resources and military readiness, the "bottom line" of DoD output. Generic support functions are of no value in and of themselves; their value can only be measured in terms of how well they support weapons and forces in carrying out their missions. The training system would have failed, no matter how smoothly or efficiently it operates, if maintenance technicians cannot fix tanks. The supply system would have failed, no matter how well back-orders are handled, if lack of essential parts keep aircraft from flying. Ultimately, a weapon system focus is necessary to evaluate and balance the sum total of support resources.

SUMMARY

The procedures tested in the trial reviews were successful and beneficial. They demonstrated that the two basic steps required to meet the management goal of Initiative #30 were feasible. Specifically, the necessary support resource data on requirements and funding for specific weapon systems can be identified, and these data can be used by OSD to influence the resource allocation decisions made during the PPBS cycle to help balance the support programs for selected weapon systems.

The success of the trial reviews was qualified, however, by the difficulty the Army and Navy experienced in developing the necessary data, and the limited ability of OSD to independently validate the support requirements. Recommendations to address these deficiencies and to move from trial procedures to final implementation are given in the next chapter.

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3. RECOMMENDATIONS

To make it possible for DoD to carry through the management intent of Initiative #30, to identify the support resources required by specific weapons and to influence the resource allocation process so that balanced support resources are made available, we recommend that:

- (1) the Initiative #30 process be continued and the procedures used in the trial reviews be formalized and implemented in future PPB cycles.

To take full advantage of this action, we also recommend that:

- (2) OSD strengthen its weapon system perspective so that it can more effectively review and validate weapon-system-specific support requirements; and
- (3) OSD monitor the progress of the Military Departments in completing and acting upon their plans to improve their internal management of weapon systems support.

Implementation should ultimately result in more effectively supported weapon systems and greater readiness in the field than is achieved by the present management system.

PROCEDURES

The procedures that we recommend be formalized are those that have been included in the FY85-89 POM Preparation Instructions (PPI) and those used during the FY84 budget review. (The text of those procedures and their genealogy are given in Appendix C.) The procedures specify the weapon system support requirements and funding data to be provided by the Services to OSD, the categories in which the data should be supplied, and when the data should

be provided. Trial reviews have shown the procedures to be workable and to provide useful and timely information.

OSD WEAPON SYSTEM PERSPECTIVE

OSD should strengthen its weapon system (vice functional or appropriation) perspective in order to use the information provided by Initiative #30 to the greatest benefit. To do so will require functional offices within OASD(MRA&L) to concentrate more time and effort on specific weapon system support issues than they have in the past. We recognize that expending more effort on specific weapon systems requires either more staff or a reallocation of existing staff effort. However, we believe such an adjustment will ultimately benefit not only OSD's Initiative #30 effort, but also its overall review and evaluation responsibilities.

SERVICE IMPLEMENTATION PLANS

OSD should monitor the progress of the Military Departments in completing and acting upon their implementation plans. At the present time, none of the Military Departments has a final, workable implementation plan. The Air Force does have a draft plan that is well structured and appears workable; if its final plan contains the elements of the draft plan, it will satisfy the intent of Initiative #30.

OSD should also require periodic updates of the Military Departments' implementation plans until final, workable versions are completed.

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2. Office of the Secretary of Defense Memorandum "Improved Management of Weapon System Support Funding," September 18, 1981.
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5. Office of the Secretary of Defense Memorandum "POM Preparation Instructions," 11 March 1983.
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APPENDIX A
SUPPORT CATEGORY DEFINITIONS

SUPPORT CATEGORY DEFINITIONS

1. Spares and Repair Parts - Includes reparable, both GFE and CFE, and consumables (to the extent identifiable by weapon system) needed for initial outfittings and higher echelon pipelines. Also includes replenishment and war reserve spares.
2. Support and Test Equipment (S&TE) - Includes development and procurement of peculiar S&TE (e.g., test program sets) and major items of common S&TE (automated test station, fuel storage and handling equipment, etc.) required for the new system.
3. Training and Training Devices - Includes development (to the extent separately identifiable in existing PM or training developer data sources) and procurement of both operator and maintainer training courses and materials, simulators and other training devices, and factory training.
4. Publications/Tech Data - Includes development and procurement of operator manuals, maintenance manuals for each echelon of maintenance, and other technical data (drawings, parts breakdowns, etc.)
5. Depot Repair - Includes labor, material and overhead for both organic and contractor depot maintenance.
6. Contractor Support - Includes all funding for contractor repair and other technical services associated with below-depot maintenance. Also includes contractor management of maintenance and supply services.
7. Facilities - Includes all MILCON-funded new construction and facilities modification identified as support requirements for the new system (except production facilities).
8. ILS Management/Analysis - Includes development/revision of manpower, training and support plans; logistic support analysis; and analysis of test and early field data to determine needed logistics improvements.
9. Other Support-Related Requirements - Includes development and procurement funding for support-related engineering change orders and product improvements (e.g., R&M Improvement Program) or other special programs (e.g., software maintenance equipment).

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APPENDIX B
MILITARY DEPARTMENTS' IMPLEMENTATION PLANS
FOR INITIATIVE #30

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OFFICE OF THE DEPUTY CHIEF OF STAFF
FOR RESEARCH, DEVELOPMENT, AND ACQUISITION
WASHINGTON, D.C. 20310

REPLY TO
ATTENTION OF

DRAFT

DAMA-PPM-A

MEMORANDUM THRU CHIEF OF STAFF, ARMY
ASSISTANT SECRETARY OF THE ARMY (RESEARCH,
DEVELOPMENT AND ACQUISITION)

FOR DIRECTOR, WEAPONS SUPPORT, ASSISTANT SECRETARY OF DEFENSE
(MANPOWER, RESERVE AFFAIRS AND LOGISTICS)

SUBJECT: Management of Initial Support Funding for Major Systems (Status Update
of Implementation for Major and Less Than Major Systems)

1. As expressed in the 6 Dec 82 DAMA-PPM-A Memo to your office, subject: Formalizing Initiative 30 in POM Preparation Instructions, the Army was concerned that an ongoing effort in the ILS resources arena might affect the support elements we reported under Carlucci Initiative 30. The results of the Army's reviews to display ILS in PMCS (para 3) and to align the elements of the Baseline Cost Estimate (BCE) with financial elements of the Army Management Structure (AMS) are not yet fully staffed; in fact, the feasibility of the contemplated initiatives is still being determined. However, sufficient progress has occurred to enable a more comprehensive review of the support element definitions. The changes envisioned by the Army's reviews are generally compatible with the support elements as defined for Initiative 30. But, in order to refocus the reported data on the initial aspect of ILS, as opposed to the follow-on sustaining efforts, and to align the reported data with the changes anticipated, our ongoing efforts, the Army requests the following changes to the support element definitions for Carlucci Initiative 30:

a. Spares and Repair Parts - Delete "Also includes replenishment and war reserve spares". Rationale: Deleted items are clearly associated with follow-on sustaining support and not initial provisioning.

b. Depot Repair - Delete entire definition. Rationale: As presently written, this element is primarily directed at the follow-on sustaining support of a system and not initial support as it should be. Definition should read: "Includes funding required to develop and procure required depot maintenance equipment and capability including Depot Maintenance Plant Equipment".

c. Contractor Support - Delete entire definition. Rationale: As presently written, this element encompasses both the initial support and the subsequent sustaining support. Definition should read: "Includes funding for the development and procurement of contractor support packages (trained contractor representatives/technical services associated with below-depot maintenance) required concurrently with the fielding

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of a system. Also includes associated contractor management efforts."

d. **Facilities** - In order to be consistent with Army definitions used in reporting system-specific MCA in Selected Acquisition Reports, Unit Cost Reports, and Congressional Data Sheets the following standard should be applied to a facilities project before reporting it and the standard should be added to the definition for the facilities support element: "If a given facility would not exist if the system did not exist, then funding for that facility is reflected. If the project is general in nature or cites more than one system, then that project is considered to be non-system specific and is not to be included."

2. On 29 Sep 82 the Army's Development and Readiness Command (DARCOM) completed a comprehensive analysis of existing ILS policies, plans, and procedures. As a direct result of this study the Army has undertaken efforts to consider the lack of visibility of funding identifiable to both ILS management functions and support acquisition. Another initiative presently being studied is to reflect separate lines of display (test equipment, ILS management, systems support packages, etc.) for funding and detail reporting in contractual documents: Work Breakdown Structure and the Army Management Structure. Complete staffing and identification of alternatives, risks, methods, coverage, and phasing has not yet occurred. The culmination of these efforts may result in an ILS resource reporting system with universal application to all developing systems and tied directly into the Army's financial reporting structure. Working level meetings and informal discussions are occurring within the Army to maximize consistency among this effort, Carlucci Initiative 30, and the initiative to align, as appropriate, elements of the BCE with the financial management elements of the AMS. It is emphasized that efforts to date still require definitive staffing.

3. ILS management and ILS organizations within DARCOM, the Army's principal material developer, have received increased emphasis as a result of the DARCOM ILS Study. Of particular significance to Carlucci Initiative 30 is the impetus under PMCS to clearly identify ILS funds and maintain a clear audit trail of management decisions affecting these resources. The PMCS is now expected to monitor 23 systems at DARCOM level and 17 systems at DARCOM Major Subordinate Command(MSC) level. The Army's Program Management Control System is designed to define program objectives, increase discipline in the materiel acquisition process, track program execution against general elements of approved acquisition strategy, and provide increased visibility of program trends and earlier identification of decision alternatives.

a. The Annual Execution Plan (AEP) for each system is composed of five sections addressing I - Schedule/Quantity, II - Contract Planning, III - Technical/ILS, IV - Resource Plan, and V - Execution Plan. ILS funding is specifically addressed in Section IV and includes those organic and/or contract costs/estimates necessary to perform the management and technical activities of ILS Management and Acquisition of Support Capability for:

- (1) Design Influence and Integration
- (2) Maintenance Planning
- (3) Manpower and Personnel
- (4) Supply Support

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- (5) Support Equipment and Test Measurement and Diagnostic Equipment (TMDE)
- (6) Training and Training Devices
- (7) Technical Data
- (8) Computer Resource Support
- (9) Package, Handling, and Storage
- (10) Transportation and Transportability
- (11) Facilities
- (12) Standardization and Interoperability
- (13) ILS Management

The required, programmed, and appropriated funds for each applicable product/task under each ILS element may be consolidated by the applicable appropriation and reported as a single resource line for ILS.

b. The Monthly Status Report composed of four sections, also addresses the ILS aspects of a system. In Section II (Technical/ILS), attainment of any technical/ILS parameters previously reported in the AEP are reported. For each parameter where the latest estimate falls below the planned value, the report will reflect get well actions. In Section IV (PM's Personal Assessment), the PM will provide a subjective assessment of the state of his program. Eleven areas receive monthly assessments using the evaluation of S (satisfactory), M (marginal), or U (unsatisfactory) for each area. The PM will provide a narrative explanation of any area that is not satisfactory. One area, entitled ILS, requires the PM to assess the ILS aspects of the program which are necessary to insure the supportability of the item. This specifically includes the adequacy of funding resources, facilities, supplies and equipment necessary to develop and sustain the program. The general health of the ILS program and the operational training support will be addressed. Evaluators to be used are:

(1) Satisfactory - Program is projected to be logistically supportable within the approved Cost Baseline by the First Unit Equipped (FUE) date (and supportable thereafter). Consideration has been given to factors such as maintenance support; manpower and personnel; supply; supply support; support equipment and TMDE; training and training devices; technical publications; computer resources support; packaging, handling and storage; transportation and transportability; facilities; and spares and repair parts.

(2) Marginal - Program is not projected to be logistically supportable within the cost baseline but corrective actions have been identified and are within local authority/capability. This status may occur because required logistic support has not been adequately defined; scheduled logistic support activities have slipped suspense dates; etc.

(3) Unsatisfactory - Program is not projected to be logistically supportable within the Cost Baseline. Required corrective actions are beyond local authority/capability, or

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cannot be identified.

c. The PMCS has a built in safeguard to essentially protect ILS funding resources. The PMCS is ratified at DARCOM and Department of the Army level to preclude the use of that identified ILS funding for any other purpose. This will both stabilize and discipline our ILS efforts for those systems under PMCS.

d. Those changes to the Work Breakdown Structure and Army Management Structure, which may be implemented as a result of the effort described in paragraph 2, will be reflected in the PMCS in order to maintain consistency throughout the Army's ILS reports.

4. Subsequent to the Fall 1982 trial run, HQ DARCOM requested feedback from the PM Offices (PMO) of the three systems reported in the trial. As a result of this Lessons Learned Report, HQDA has undertaken to provide appropriation data from DA data bases concomitant with the report requirement. HQDA will also "close the loop" with the PMOs by furnishing final reports back to the PMO. This will provide information to the PMO's on those last minute adjustments to programs which are a part of the real world. This initiative is being tested during the ongoing POM 85-89 development. This effort has the potential to substantially improve the PM's visibility of funding resources associated with his system, particularly since it is tied directly into the primary HQDA data bases.

5. The Modernization Resource Information Submission (MRIS) in support of POM 85-89 development utilized modified procedures which required the use of standard cost element definitions and identifiers by all MACOM's. This has enormous utility in implementing Carlucci Initiative 30 for all 224 systems included in the automated MRIS data base. It is this standardization which has enabled HQDA to provide PMO's the MCA and OMA funding data described in paragraph 4; it also enables the PMO to see the support data as it survives the HQDA reviews. As noted in the Army's last status update in July 82, the MRIS process is a key element in the Army's implementation of Initiative 30 for all systems.

6. As discussed in the 6 July 82 status update, Associated Support Items of Equipment (ASIOE) are a primary concern of PM's. Program Development Increment Packages (PDIP's) for Other Procurement Army (OPA) items in the Army's procurement data base are structured into generic categories. In this manner, like items are grouped together and managed more efficiently. However, a requirement still exists to relate these PDIP's to a designated system PDIP. To accomplish this, a memo system has been developed which permits a "crosswalk" in the data base between PDIP's and permits reports for decision making to display critical items of support equipment with the major system. This memo system is being used to support thirteen systems (including all nine Army systems identified in the draft POM Preparation Instructions for POM 85-89 for Initiative 30) and involves a total of 33 PDIP's. Only those OPA items deemed critical by the Army Staff to the primary system are included in the memo entry to the system PDIP. The dollars displayed are non-additive to the primary system PDIP generating the requirement but remain a part of the value of the generic OPA PDIP.

7. From the preceding discussion it should be apparent that considerable progress has occurred in meeting both the spirit and the letter of Carlucci Initiative 30. Although several of the Army's efforts are not short term fixes, they involve and address the basic structure for managing support resources. These efforts will eventually provide the

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greatest payoffs to the Army. However, as discussed, the Army has made significant adjustments to its present system in order to provide better focus toward achieving the objectives of Initiative 30.

**FOR THE DEPUTY CHIEF OF STAFF FOR RESEARCH, DEVELOPMENT AND
ACQUISITION:**

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DEPARTMENT OF THE ARMY
OFFICE OF THE DEPUTY CHIEF OF STAFF
FOR RESEARCH, DEVELOPMENT, AND ACQUISITION
WASHINGTON, DC 20310

REPLY TO
ATTENTION OF DAMA-PPM-A

6 July 1982

MEMORANDUM THRU CHIEF OF STAFF, ARMY

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~~ASSISTANT SECRETARY OF THE ARMY (RESEARCH, DEVELOPMENT AND
ACQUISITION)~~ *17* COL George F. Handy, Exec. 5400, ODCR&A
COL Yarbrough, IO, OASD(PDA), 30740

9 JUL 1982

FOR DIRECTOR, WEAPONS SUPPORT, ASSISTANT SECRETARY OF DEFENSE (MANPOWER,
RESERVE AFFAIRS AND LOGISTICS)

SUBJECT: Management of Initial Support Funding for Major Systems (Summary
Report)

1. References:

a. DEPSECDEF Memorandum, 30 April 1981, Subject: Improving the Acquisition Process.

b. OSD Memorandum for the Secretaries of the Military Departments, 1 June 1981, Subject: Program Management Control Over Logistic Support Resources.

c. DoD Acquisition Improvement Task Force Report, 23 December 1981, Subject: Final Report on the Task Force on Acquisition Improvements.

d. OASD(MRA&L) Memorandum for Distribution dated 30 April 1981, Subject: Minutes of Initiative # 30 Steering Group Meeting, 27 April 1982.

e. DAMA-PPM Memorandum dated 30 September 1981 to the Special Assistant for Weapon Support, Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), Subject: Interim Report on Initiative # 30, DEPSECDEF 30 April 1981 Memorandum.

2. "Issue G", Ref 1.a., identified the following three programming and budgeting problems as disincentives for program managers to provide system support and readiness:

a. Support program and budget requirements are based upon experience-related measures unrelated to readiness.

b. The budget is reviewed by appropriation. Budget decisions in these accounts occur without visibility of the impact on individual systems support or readiness.

c. Some weapon support funds (spares, training, depot) are controlled by activities not visible to the program manager, and their priorities do not always match those of the program manager.

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3. The DEPSECDEF, in response to this problem, directed that the Services submit with the POM support resource requirements and readiness objectives for weapon systems entering or in early production, and OSD conduct a single review of support associated with individual systems. It was further directed that the Services develop procedures giving the PM more control of support resources, funding, and execution. Services were also to develop implementing approaches to deal with the PPBS disincentives identified in the issue. The basic concept was to give the PM a voice in support resource allocation and budget execution process through increased and centralized resource visibility and coordination by the PM on changes to his plans.

4. Ref 1.b. implemented the DEPSECDEF decision by tasking the Services to develop procedures giving the PM a greater voice in support resource allocation and budget execution. It further directed OSD work with the Services to develop procedures for a coordinated program and budget review of support requirements for individual systems to insure decisions on support elements are made with full appreciation of readiness and support impacts.

5. Ref 1.c. was prepared in December 1981 after a high level review of progress on all the Carlucci Initiatives. The report acknowledged the Services' ability to track a significant number of weapon system support elements, and to identify shortfalls in support funding. This was demonstrated during the OSD-directed trial review of support resources associated with the M1 Tank and the AH 64 Apache Attack Helicopter. The report also acknowledged some barriers to implementation of the initiative. These included the following:

a. The title to the initiative in that it prescribed PM control over support resources.

b. Services' concern for over-management by OSD.

c. Some categories of support funding affecting weapon systems are not easily identifiable nor can they be readily identified with specific weapon systems.

6. The following actions were taken in response to the barriers cited above:

a. The title of the initiative was changed to "Management of Initial Support Funding for Major Systems".

b. Clarification was added to the effect that the intent of the initiative was to give the PM greater coordination but not necessarily control over support resources.

c. The Services were required to develop internal procedures for increased PM involvement in budget execution and implement those procedures on a trial basis by 1 June 1982. Ref 1.d. tasks the Services to submit a written report on initiative #30 implementation (including programming, budgeting and budget execution) and the schedule for implementation of each of the elements of the initiative.

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SUBJECT: Management of Initial Support Funding for Major Systems

7. PM offices participating in the OSD-directed POM and budget reviews expressed general satisfaction with the degree of visibility and influence they exercise over support resources intended to prepare their systems for fielding. They demonstrated that they are able to identify the support resources associated with their programs in the necessary detail, in a reasonable time frame and with sufficient accuracy given the volatility of the programming and budgeting process. They consider themselves particularly influential in the areas of wholesale supply, training base, training, tech data (manuals/LSA), special tools and test sets, training devices and materiel fielding cost. In general, they have the funding flexibility and visibility over most support elements that impact their systems. The principal concern most often expressed pertained to the procurement of end items of equipment required to support their respective weapon systems once fielded.

8. The DA funded items to which the PM makes reference are major end items of equipment required to support new systems fielding. These are further classified as either components or associated support items or equipment (ASIOE).

a. Components are major end items of equipment issued as part of the Basis Of Issue Plan (BOIP) item configuration not listed separately in the BOIP, TOE and TAADS documents.

b. ASIOE are also end items of equipment required to operate and maintain BOIP items authorized separately in TOE/TAADS documents.

9. By Ref 1.e. we informed ASD(MRA&L) that it was the Army's intention to capture and make visible this particular support element through the expansion and further refinement of the ARSTAF functional programming initiative, which in the end will produce a single document with all support information associated with a particular system, to be used by the PM as well as all other acquisition managers. There has been some progress towards this realization. The number of functional program development increment packages has increased from 9 to 15, and the number of common items of equipment identifiable with these major systems has also increased. ODCSRDA has assumed responsibility for functional programming on the ARSTAF, and the Department of the Army Systems Coordinator (DASC) has been assigned functional programming responsibility for his weapon system. However, present PPB procedures do not accommodate tracking the very considerable number of common items of equipment necessary to support fielding of a major system. Consequently, wider application of functional programming has been constrained. This limitation is being addressed, but the time required for solution is not yet apparent. Consequently, a milestone schedule for full implementation cannot presently be stated. However, this does not imply the Army is without a near term capability to track and provide visibility to both components and common items. On the contrary, the data interchange system is the mechanism which the Army currently relies upon to plan, program and budget for procurement of component equipment. Data interchange is a function that occurs among the materiel developers' subordinate

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commands to exchange supply data on procurement appropriation funded major end items that are required by one command and managed and procured by another. It was designed as a management tool for major item managers and is the means by which the materiel developer informs the procuring command of the need for support items to insure successful fielding of his system. The principal players in the process are:

- a. Materiel Developer - Materiel Development Command (MDC) Project Manager, Product Manager or other US Army agency introducing new systems and/or replacement systems into the US Army inventory.
- b. Requesting Command - The command that manages a major end item which requires other major end items for support which are procured by another command.
- c. Procuring Command - The Materiel Readiness Command responsible for the procurement of DA funded items in support of another command's major end item.

10. The PM prepares the initial interchange data. It is submitted to the appropriate Materiel Readiness Command (MRC) and subsequently to Depot Systems Command (DESCOM) where it is entered into the standard study number cross reference file. Within ten working days of receipt of the data interchange information, the item manager of the component item will notify the requesting command of asset availability. The entire process does not exceed thirty days. Additionally, the standard study number cross reference file is updated quarterly, thus providing the PM excellent visibility, but not control of the availability of component items intended to support his system. Data interchange can also be completed for ASIOE items that are "system unique", i.e., were not associated with an old system being replaced, but will be needed for the BOIP systems. ASIOE listed on data interchange are "fenced" as are components, but since they are found on the BOIP there is no need to double count when the SSN is run with the LOGSACS to generate AMP requirements. The impact here is: (1) The ASIOE is fenced, and, (2) the item manager is aware of the major weapon system claimant for a specified part of the total requirement.

11. The processing procedures for ASIOE or common items follow a different process enroute to inclusion in the Army Materiel Plan gross requirements. This process as compared to the process for component items is shown at Tab A. The PM also prepares the input data for common items concurrent with the basis of issue plan feeder data. The two documents must be compatible. They are submitted through the Equipment Authorization Review Activity (EARA) and subsequently to US Army Training and Doctrine Command (TRADOC) where they are entered into the basis of issue plan file and ultimately into the Logistics Structure Composition System (LOGSACS). These successive reviews are absolutely imperative to ensure that support considerations, beyond the inherent capability of the PM to identify, are incorporated into the basis of issue plan as well as the LOGSACS.

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12. There are some recognized difficulties with this process:

- a. The system is not fully automated.
- b. Processing time is approximately two years.
- c. The large number of weapon systems being fielded frustrates the system's capability to function with the efficiency required.
- d. The LOGSACS identifies requirements by unit identification code but not by major weapon system to be supported.

13. The materiel developer has initiated a major effort to modernize the Army Materiel Plan. A project manager's office has been established and assigned the mission to provide the Army with an automated interactive system for preparation of the Army Materiel Plan. It will significantly reduce the time-consuming manual efforts required by the current system. More importantly, it will permit submission of realistic and supportable budget requirements, providing visibility of impacts of budget decisions by weapon system, fiscal year and military cost. This major effort is on-going, but finalization is not near term; consequently, during the interim period, the Army must rely upon extraordinary management efforts to accommodate common equipment planning and distribution.

14. The ARSTAF in concert with DARCOM has such a management effort on-going. Basis of Issue Plans data are being restructured. These will be used to revise the LOGSACS and subsequently entered into the Total Army Equipment Distribution Plan (TAEDP) data base which has been modified to accept BOIP data and all ASIOE. Once the data is entered in the TAEDP, DESCOM will have the capability to produce reports by ASIOE, component, or major system, thus enabling phased distribution to be accomplished. It will permit total systems visibility for selected major systems by September 1982. It is expected to provide total visibility for all major weapons systems by September 1983. But, while the TAEDP will show all these relationships it will not absolutely ensure all requirements for ASIOE associated with modernization systems to be fielded are accommodated. The TAEDP output interfaces with the Department of the Army Master Priority List (DAMPL). A current proposal being staffed is to make interchange/ASIOE the highest priority claimant for equipment.

15. By Ref 1.e., ASD(MRA&L) was informed that the AMIM/MRIS process developed by the Army Force Modernization and Coordination Office (AFMCO), in coordination with other ARSTAF agencies is one of the Army initiatives that is largely responsive to the requirements outlined in the DEPSECDEF initiative. Specifically, the process provides for planning, programming and budget formulation of the Operation and Maintenance Accounts (O&MA) and Military Construction Army (MCA) in support of major weapon systems being fielded. It includes in a single document all O&M support categories to include spares and repair parts, support

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and test equipment, training and training devices, publications/tech data, depot repair, facilities (non production) and other support related requirements. It incorporates the estimated operation and support requirements of gaining commands (the equipment user) as well as the training and development commands. It is a living document, clearly visible and available to all managers at all levels from the ARSTAF to the program manager. It responds directly to at least one of the three programming disincentives cited in the 30 April 1981 DEPSECDEF Decision Memorandum. Specifically, while fielding of a weapon system does involve several appropriations, budget decisions in the various O&M accounts, MCA and Military Personnel no longer occur without visibility of the impact on individual system's support or readiness.

16. During the past year, the AMIM/MRIS procedures have been substantially improved, refined, and institutionalized as the Army process for insuring that support costs for new systems are identified and incorporated in the POM and budget. The data base has been automated to provide the same accuracy and responsiveness characteristic of the R&D and procurement data bases for these same weapon systems. The materiel developer, DARCOM, is currently pursuing methods to increase PM involvement in the process. The PM's efforts are currently confined to developing the support cost factors used by the materiel developer, combat developer and hardware users for planning and programming support requirements. Specific areas where PM's might be further involved include the following:

a. PM's participate in validating the O&S forecast for their respective systems.

b. PM's participate in the MRIS review.

(1) Review command statement of requirements.

(2) Actively participate in the review.

(3) Review support data as it survives the review.

17. There has not been similar progress in developing implementing approaches to resolve other PPBS disincentives cited in the basic # 30 issue. Budget requirements for initial provisioning are computed against an operational availability (Ao) objective (weapon system availability/system readiness objective). Through the use of approved optimization models, the Army projects the required spares/repair parts and associated funding to support a stated Ao. Replenishment spare/repair parts requirements are based upon demand history. We also have not defined procedures to further include the PM in the budget execution process, and there are several factors that oppose it:

a. The realities of the budget execution process make it extremely difficult to consult on decisions that affect his program.

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SUBJECT: Management of Initial Support Funding for Major Systems

b. Reprioritization authority at HQDA, DARCOM and the various MRC's, because of changing priorities and unforeseen circumstances, is a recognized necessity even among PM's.

c. Where the criticality of the item demands centralized management, such as common equipment, decision authority must be retained by higher headquarters.

d. Including the PM in the budget execution process for some support accounts such as MCA or BASCPS is probably neither prudent nor feasible.

18. Based upon the preceding discussion, the following conclusions are provided:

a. The PM has more visibility and a greater degree of influence over support resources, particularly PA funded resources, than originally speculated.

b. Common equipment associated with fielding a major end item is a current area of concern for some PM's. The subject is being intensively managed, and both near and long term solutions seem imminent.

c. Through the AMIM/MRIS process, the Army has achieved visibility across appropriations, less R&D and Procurement, that affect support and readiness of systems being fielded.

d. Current organizational responsibilities for POM and budget support funding remain unchanged. Whether they should be augmented for selected support commodities remains to be determined.

19. Management of initial support funding for major weapon systems will be pursued as an item on the agenda at the DARCOM-sponsored program managers conference in August 1982. Our efforts will be directed towards establishing the following:

a. Procedures for further involving PM in the AMIM/MRIS process.

b. Identification of specific support commodities, (by account - aviation, missiles and ground systems) where the PM does not have the influence or visibility that he considers necessary to insure initial support is properly funded.

c. Augmentation of POM/budget procedures to better accommodate initial support funding.

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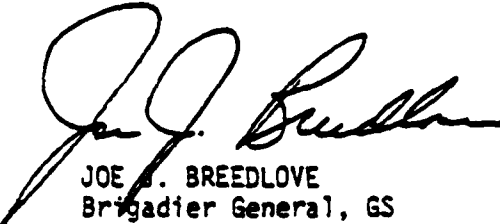
6 July 1982

SUBJECT: Management of Initial Support Funding for Major Systems

d. Procedures and division of responsibility for future submissions of POM and budget support resource requirements to the OSD consolidated review.

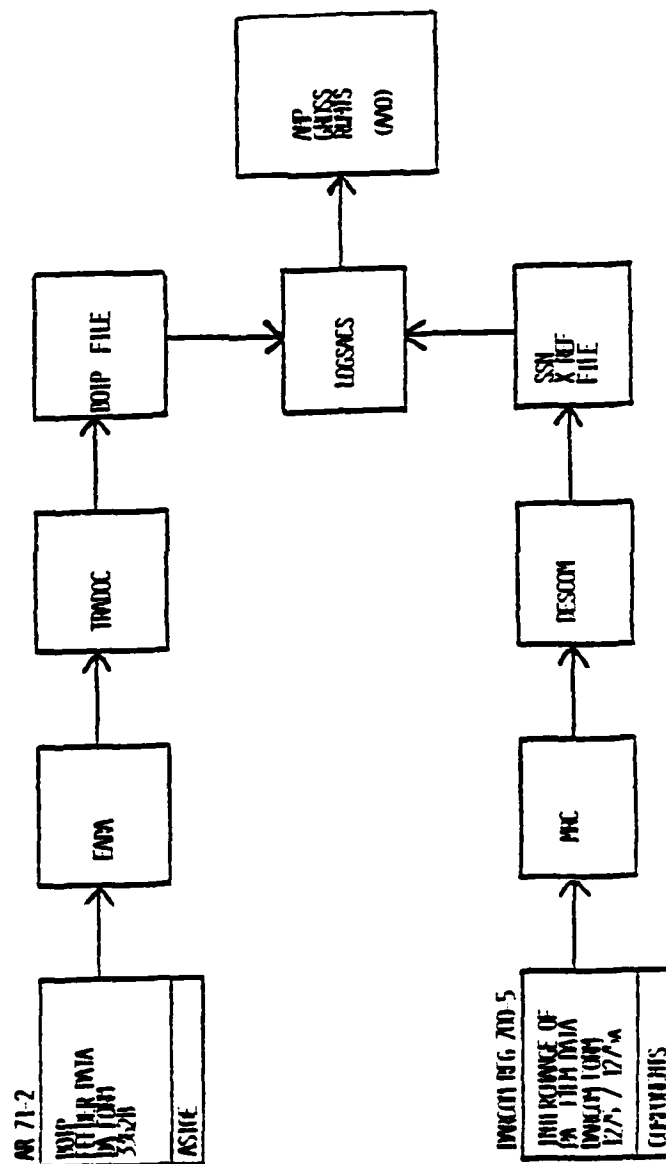
FOR THE DEPUTY CHIEF OF STAFF FOR RESEARCH, DEVELOPMENT AND ACQUISITION:

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JOE A. BREEDLOVE
Brigadier General, GS
Deputy Director for
Material, Plans and Programs

REQUIREMENTS IDENTIFICATION PROCESS



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DEPARTMENT OF THE NAVY

OFFICE OF THE ASSISTANT SECRETARY
SHIPBUILDING AND LOGISTICS,
WASHINGTON, D. C. 20360

14 March 1983

MEMORANDUM FOR THE DIRECTOR, WEAPON SUPPORT, OSD (M,RA&L)

Via: Mr. Suydam *[Signature]*

Subj: Defense Acquisition Improvement Program (DAIP), Initiative #30

Ref: (a) Your memo of 24 Feb 1983, same subj.

By reference (a) you requested an update of the Navy's implementation plan for DAIP #30. We are proceeding as follows:

- o For major systems - data will be drawn from the OPNAV Baseline ILS and NAVMAT LRG assessments and fitted to the DoD format.
- o For less than major systems - the OPNAV Baseline ILS assessment will be expanded to 14 programs in POM-85. Anticipated coverage for POM-86 is 20-25 programs.

For the nine major systems designated for incorporation in POM-85, we will use the following "ad hoc" procedure:

- o OP-901 will include DAIP #30 requirements in the POM preparation instructions, tasking OP-401, who will then task MAT-04.
- o MAT-04 will then task the program managers and aggregate their submissions to fit the DoD format, with supporting narrative.
- o MAT-04 will then submit DoD formats to OP-901 and OP-401.
- o OP-901 will consolidate the DoD formats and narratives in the POM.
- o MAT-043 will then track changes through budget/program review and advise PMs.
- o Adverse impacts will be reclama-ed.

For the follow-on actions, we have initiated a review of the DON accounting system. The OP-901, OP-401 and MAT-043 data bases will be assessed for:

- o Commonality in submitting ILS requirements.
- o Capability to track how resources were used and what readiness was achieved.

Recommendations for improvement will be developed.

Very respectfully,



V. P. PASCHKE, JR.
Asst. Dir., RPE(L)

Copy to:

Mr. Emerson Cale, MAT-043, CP-5, Rm 706
Captain Wilbur Jones, OP-401, Pnt, Rm 4B540
Captain Joe Cosgrove, OP-901C2, Pnt, Rm 4D683
Commander Don Hickman, OP-901E, Pnt, Rm 4D683



DEPARTMENT OF THE NAVY

OFFICE OF THE ASSISTANT SECRETARY

(SHIPBUILDING AND LOGISTICS)

WASHINGTON, D. C. 20360

30 July 1982

MEMORANDUM FOR THE DIRECTOR, WEAPONS SUPPORT, ASSISTANT SECRETARY OF DEFENSE
(MANPOWER, RESERVE AFFAIRS AND LOGISTICS)

Via: Director, Resources and Policy Evaluation *W. Smith*

Subj: Management of Initial Support Funding for Major Systems (Summary Report)

BACKGROUND

Navy started working on the idea of an Integrated Logistic Support assessment in the fall of 1980. Shortly thereafter, a significant problem regarding lack of adequate logistics support surfaced and obtained high-level Navy attention. The VCNO directed the establishment of a more disciplined approach for ensuring that there are adequate logistic support resources to support new acquisitions. The new ILS assessment process, with this added impetus, began preparations for the assessment which would be conducted on four programs during POM-84.

Although this effort was initiated prior to the 30 April 1981 issuance of the acquisition improvement initiatives, it is considered that this ILS assessment program strongly supported initiative #30, "Program Manager Control over Logistics and Support Resources."

NAVY IMPLEMENTATION

The actual assessment process began in July 1981 with the selection of the four programs which would participate in the assessment: the F/A-18A Tactical Aircraft, the AEGIS Combat System, the AN/SQS-53(C) Sonar Improvement Program and the AN/SAR-8 Infrared Search and Target Designation System.

During the latter part of the summer, the four project offices and their respective resource sponsors were contacted in order to explain the purpose of the ILS assessment. Support was also provided to the project offices while they completed the ILS requirements formats with their ILS funding requirements. These were submitted in mid-November. The assessment addressed all ILS elements, except manpower, which is planned for integration in POM-85.

Other assessment sponsors were also contacted during this period to elicit their support in developing assessments of spares, military construction projects, base operating support and FMP installation funding. Because of their expertise in these areas, these assessment sponsors were requested to comment on the adequacy of resources programmed in the FYDP to support the programs participating in the ILS assessment.

While the resource and other assessment sponsors were reviewing the ILS requirements submitted by the project offices, the funding included in the October FYDP to support the displayed requirements was identified. The resource and

assessment sponsors were again contacted to obtain their inputs on potential assessment issues. The initial ILS Baseline Assessment Memorandum was then prepared in December. It highlighted the major funding deficiencies that were to be addressed by the resource sponsors during POM development.

In January and February, efforts were devoted towards updating information on the ILS requirements and funding levels. Requirements had to be updated for two reasons. First, the project offices tend to do their official POM submission in the January time frame. Second, during the early phases of POM development, the resource sponsors decided to re-phase the acquisition profiles of the AN/SAR-8 and the AN/SQS-53(C), and the project offices revised their ILS requirements accordingly. Additionally, the funding levels had to be changed to reflect the January FYDP update. The December ILS Baseline Assessment Memorandum was revised to reflect these changes in requirements and funding levels. During the latter part of February and early March, the resource sponsors developed their Sponsor Program Proposals (SPPs) and the January FYDP was subsequently updated to reflect these SPPs.

Additionally, appropriate portions of the hard copy SPPs were also reviewed to identify specific actions that had been taken by the resource sponsors in response to the ILS assessment. During the review of these materials, outstanding funding deficiencies for the four programs were identified. The project offices were again contacted to determine what the specific impact of these deficiencies might be. Also, where appropriate, the resource sponsors were contacted to learn why certain funding issues were not addressed. All of this material was reviewed and significant issues were then incorporated as part of the official assessment presentation to the Program Development Review Committee (PDRC) in late March.

Subsequent to the Assessment Presentation, "ZOW" reports, which tasked the resource sponsors to address significant funding problems in their proposed programs, were issued. For example, OP-05 was tasked in ZOW-1 to address the shortfall in the funding for follow-on outfittings for the F/A-18, a deficiency which was highlighted in the ILS assessment. Further, all ILS funding levels were also tracked to determine if any additional changes were made. Shortly after the POM was completed, a final ILS Baseline Assessment Memorandum which documented the ILS funding programmed for each of the four programs was prepared and the project offices were informed of their respective ILS funding.

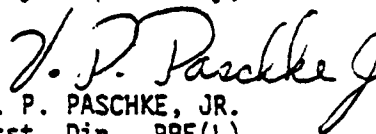
As a result of the ILS assessment, funding deficiencies in several significant logistic areas were highlighted and brought to the attention of the assessment sponsors who reviewed them and in some cases directed additional resources to the programs. It is anticipated that an increased number of programs (10-15) will receive an ILS assessment during POM-85.

CONTINUING ACTION

Upon appropriation, the resources identified in and tracked through the ILS assessment will be either directly allocated to the Project Manager, or separately allocated to another office. In the latter case, the funding will be specifically

identified to the supported project, e.g., F-18 depot maintenance. In either case, the PM will be able to track fund expenditure/obligations through the DON accounting system to know how other organizations are supporting his program. A track of any subsequent changes in funding levels and/or requirements will be maintained. Rationale for any such changes will rest with the PM. Prior to implementing any changes in fund allocation, the PM will be notified. Additionally, the DON accounting system will give the PM a continuous update regarding the status of program execution up to appropriation expiration.

Very respectfully,



V. P. PASCHKE, JR.
Asst. Dir., RPE(L)

END PAGE

Summary of Air Force Procedures for
Implementing Defense Acquisition Reform

Initiative #30

OUTLINE

1. Primary objectives of Initiative #30
2. Techniques for Relating Support Resources to Readiness
3. Evolving Organizational Responsibilities, Policies and Procedures for Accomplishing Logistics Assessments of System Readiness
4. Augmented POM and Budget Procedures
5. Budget Execution Tracking Procedures
6. Overall Status Summary

1. Primary Objectives of Initiative #30

The basic objectives of this initiative are to resolve the following support funding problems:

- a. Support program and budget requirements based on standard planning factors may not match readiness objectives of a new weapon system.
- b. Development and fielding of a weapon system involves numerous appropriations with some budget decisions being made in isolation without visibility of impact on system's support and readiness.
- c. Some weapon support funds are controlled by functional managers not responsible to the program manager. Budget execution decisions are often made without coordination with the program manager and without visibility of impact on system support and readiness.

The remainder of this document describes precisely how the Air Force has implemented, on a trial basis, procedures and responsibility taskings to fully satisfy the Initiative #30 intent.

2. Techniques for Relating Support Resources to Readiness

Attachment 1 contains a summary assessment of aircraft related techniques applicable to support resource forecasting. It specifically highlights those techniques under development or in use which analytically relate support resources to readiness and sustainability. Resource categories that require further effort relative to techniques development and application are also highlighted. This report is currently being scrutinized throughout the Air Force by those organizations which have a significant role in support funds forecasting. Finalization and expansion of this report is planned to be completed by November 1982. The expansion will address techniques appropriate for non-aircraft systems as well.

3. Evolving Organizational Responsibilities, Policies and Procedures for Accomplishing Logistics Assessments of System Readiness.

One of the subobjectives of Initiatives 9 and 31 was to review policies and recent decisions on the acquisition process and identify organizational responsibilities, procedures and analysis capabilities planned to make manpower and logistics resource considerations an integral part of all new acquisition programs. Other subobjectives of 9 and 31 include:

- a. Assign readiness goals to acquisition programs early in the development cycle.
- b. Quantitatively relate system R&M characteristics, manpower and logistics resources.
- c. Include explicit planning and resources to achieve goals as part of major program acquisition strategy.
- d. Assign goals to all current acquisition programs for support planning purposes.

Clearly these subobjectives are closely aligned with the overall objective of Initiative #30. With this in mind, the Air Force has worked these three initiatives (among others) in close coordination. One product of this closely coordinated effort is at Attachment 2. Basically this report highlights proposed organizational responsibilities, policies and procedures necessary to accomplish logistics assessments relative to system readiness. It specifically addresses the skills requirements and levels necessary throughout the acquisition cycle in a major program to satisfy portions of Initiatives 9 and 31, and all analytical requirements of Initiative 30 (recognizing that Initiative 30 efforts primarily occur in the later acquisition phases). This report is currently out for review at the various AFSC product divisions. Implementation of the organizational, policy and procedural changes called for in this report is anticipated by November 1982.

4. Augmented POM and Budget Procedures

Current organizational responsibilities for POM and budget support funding will remain unchanged within the Air Force. Development funding related to support and readiness will remain with AFSC. ILS deliverable funding responsibilities will also be retained by current Air Force organizations as summarized at Attachment 3. To comply with Initiative 30, however, an augmentation to the POM and budget process is required on a twice annual basis. As shown schematically at Attachment 4, the DPML will pull together the consolidated support resource summaries on behalf of his program manager. When AFSC is the implementing command, these summaries will be submitted through the appropriate Product Division staff offices to AFSC/AL. Copies would be provided to all other funding OPRs (normally AFLC/LO/AO, ATC, and the Using Command(s)). AFSC/AL will then submit the resource summaries to USAF/LE who would then forward them to OSD/MRA&L and Comptroller. Copies would also be provided

to other involved Air Staff offices. This final submittal would occur shortly after formal submittal of the Air Force POM and BES each year.

Attachment 4-5 shows the DPMC pulling together this information from the appropriate organizational sources. This process has been facilitated by the development of organizational communications network for the trial systems. A sample network for the GLCM is shown at Attachment 5. Results of the trial implementation have shown that necessary detail can be developed in a reasonably timely manner. As discussed previously, future emphasis must be placed on applying techniques to relate resources to readiness with a team approach being pursued to support the DPML. Attachment 2 outlines this team approach so that funding shortfalls and quantitative readiness impacts can be included in the resource summary submittal.

At the Air Staff level, the weapon system PEM and support resource budget program managers will be key players in the process. Specifically, if funding adjustments for a given program are being considered, a quick-turn readiness assessment by the DPML would be required. Program Decision Package (PDP) tracking will provide the audit trail throughout the POM/BES deliberations at Air Staff and with OSD.

For Program Assessment Review (PAR) Programs (of which there are currently 22 in the Air Force), readiness and supportability status will be briefed to at least to the Air Force council level on a semi-annual or quarterly basis. One mandatory chart relative to readiness, supportability and cost to be included in the PAR is shown at Attachment 6. A mandatory back-up chart is shown at Attachment 7. The goal here is to use the PAR forum to highlight readiness issues including those caused by support funding shortfalls, and to try to achieve a balanced support funding posture. The PAR briefing will also contain a chart showing AFLC concerns and a chart showing using command

concerns. These charts may also address support funding and readiness issues. This represents an excellent institutional mechanism for insuring the fielding of supportable and supported systems. A similar reporting and central mechanism is anticipated for Command Assessment Review (CAR) programs which get reviewed at HQ AFSC level and no higher. There are presently 28 CAR programs within the Air Force.

5. Budget Execution Tracking Procedures

Attachment 8 summarizes anticipated procedures for support funding execution tracking and control. We are not yet far enough along in the trial implementation to have tested the planned approach. The key to this approach is the control points which would use existing procedures and data systems to track funds obligations by weapon system. If there were significant variances over what was budgeted, the control point would be required to inform the DPML so an assessment could be made. At this time a significant variance has been somewhat arbitrarily defined as any deviation greater than plus-or-minus 10%. The validity of this deviation range for a given support resource category within a given fiscal year requires further assessment. The usefulness and feasibility of tracking other funding categories must also be assessed.

6. Overall Status Summary

The trial implementation of this initiative on the Ground Launched Cruise Missile, Next Generation Trainer and European Distribution System is proceeding well. The application of improved techniques for relating support resources to readiness is a significant and valuable effort. However, it does take time and progress on the above systems is slowly but surely occurring. It is anticipated that, in support of the fall 82 BES submittal, critical support funding categories will be quantitatively assessed in light of readiness requirements. The GLCM program is making significant headway in this

regard while the other two systems which were recently added to the trial implementations are just getting underway. The eight prong implementation plan for the Air Force is shown at Attachment 9. Five of the eight actions have been completed. The remaining three actions are scheduled for November 1982 completion based on further experience gained via the trial implementation.

The following impediments to implementation and/or concerns are offered:

The current fragmentation of logistics analysis talent will make it difficult to satisfy readiness related modeling requirements across all 50 major Air Force programs (not to mention the less-than-major programs which could benefit from such analysis). Current organic levels of this premium skill may also be lacking although contractor support is a feasible option.

b. Concern still exists over the possible problem of OSD micro-management on support funding issues. Flexibility to work such issues by the major commands and the Air Staff must be allowed.

c. During trial implementation, there may be a tendency to fully fund support requirements of selected systems at the expense of other systems.

APPENDIX C

TRIAL PROCEDURES

This appendix contains the addition to the PPI for Initiative #30, and the procedures used in each of the trial reviews: The FY84 Budget Review, the FY84-88 Program Review, and the FY83 Budget Review.

The significant changes to the early procedures have been: the decision to require only written rather than oral and written submissions; the decrease in the level of detail asked for in the budget review; the decision to have the PBDs tracked by the Services rather than by the OSD (and the resultant changes to be provided in an update to the budget year information), and the decision to have back-up data available but not submitted for the program review. This last change should also apply to future Budget Review procedures.

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3. Trial Procedures for FY84-88 Program Review	C-16
4. Trial Procedures for FY-83 Budget Review	C-23

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EXCERPTS FROM POM PREPARATION INSTRUCTIONS

2. DoD Managers of the CCP, GDIP, SA(AF) and FCI Components of the NFIP will provide copies to OUSDR&E(C³I), OJCS, DIA and the Military Departments of the program and budget materials submitted to the DCI and supporting studies

E. MANAGEMENT OF INITIAL SUPPORT FUNDING FOR MAJOR SYSTEMS

1. The military departments should identify the requirements and programmed resources for initial support of major weapon systems in early production. The information to be provided should include:

- a. A narrative section describing the schedule and readiness objectives for the system including weapon system deliveries, site/unit activation, transition from contractor to organic support, and peacetime and wartime readiness goals.
- b. A summary funding profile in Format V-E-1 or its equivalent.

2. Backup data summarizing the basis for the initial support requirements should be available upon request. This data should identify the models, approach, or assumptions used to generate the data and should, where possible, relate the requirements to relevant schedule and readiness goals.

3. Major weapon systems to be addressed are the following:

<u>ARMY</u>	<u>NAVY</u>	<u>AIR FORCE</u>
Abrams Tank	F/A-18	AMRAAM
BRADLEY FVS	LAMPS MK III	NAVSTAR/GPS
Sergeant York Air	AV-8B	IR MAVERICK
Defense System	TOMAHAWK	GLCM
APACHE	ASPJ	LANTIRN
AHIP	HARM	ALCM
MLRS	TACTAS	MX
PATRIOT	CG-47/AEGIS	PLSS/TR-1
PERSHING II	TRIDENT II	HAVE CLEAR/SEEK TALK
RPV		

F. ARMY AND MARINE CORPS EQUIPMENT

The Army and Marine Corps will provide data on equipment inventory objectives and acquisition plans. These data will be in the form of Research, Development and Acquisition (RDAC) worksheets for the Army and P-20 sheets for the Marine Corps. One hundred (total, Army and Marine Corps) of the most significant systems will be reported on. These 100 systems will be chosen as mutually agreed upon by the Army, the Marine Corps, OUSD(R&E), OASD(MRA&L) and OD(PA&E). Copies of these data will be submitted to OUSD(R&E), OASD(MRA&L) and OD (PA&E) at the time of POM submission but separate from the POMs.

FORMAT V-E-1 INITIAL SUPPORT SUMMARY FUNDING PROFILE
(FYDP \$M)

SUPPORT ELEMENT		FY84	FY85	FY86	FY87	FY88	FY89	REMARKS
1.	Spares & Repair Parts	Requirement 1/ Funding 2/	XXXX YYYY	XXXX YYYY	XXXX YYYY	XXXX YYYY	XXXX YYYY	3/
2.	Support & Test Equipment	Requirement Funding	XXXX YYYY	XXXX YYYY	XXXX YYYY	XXXX YYYY	XXXX YYYY	
3.	Training & Training Devices	Requirement Funding						
4.	Publications & Tech Data	Requirement Funding						
5.	Depot Repair	Requirement Funding						
6.	Contractor Support	Requirement Funding						
7.	Facilities	Requirement Funding						
8.	ILS Management & Analysis	Requirement Funding						
9.	Other Support - Related Requirements	Requirement Funding						

- 1/ "Requirement" represents the Service estimate of all valid requirements to meet PM's schedule and readiness objectives, and includes both active and reserve force requirement.
 2/ "Funding" for FY84 should be consistent with the FY84 President's Budget, and for FY85-89 should be consistent with the Service POM submission.
 3/ Note impact of any shortfalls in funding on schedule and readiness objectives.

ATTACHMENT TO FORMAT V-E-1
SUPPORT ELEMENT DEFINITIONS

1. Spares and Repair Parts - Includes reparable, both GFE and CFE, and consumables (to the extent identifiable by weapon system) needed for initial outfittings and higher echelon pipelines. Also includes replenishment and war reserve spares.
2. Support and Test Equipment (S&TE) - Includes development and procurement of peculiar S&TE (e.g., test program sets) and major items of common S&TE (automated test station, fuel storage and handling equipment, etc.) required for the new system.
3. Training and Training Devices - Includes development (to the extent separately identifiable in existing PM or training developer data sources) and procurement of both operator and maintainer training courses and materials, simulators and other training devices, and factory training.
4. Publications/Tech Data - Includes development and procurement of operator manuals, maintenance manuals for each echelon of maintenance, and other technical data (drawings, parts breakdowns, etc.)
5. Depot Repair - Includes labor, material and overhead for both organic and contractor depot maintenance.
6. Contractor Support - Includes all funding for contractor repair and other technical services associated with below-depot maintenance. Also includes contractor management of maintenance and supply services.
7. Facilities - Includes all MILCON-funded new construction and facilities modification identified as support requirements for the new system (except production facilities).
8. ILS Management/Analysis - Includes development/revision of manpower, training and support plans; logistic support analysis; and analysis of test and early field data to determine needed logistics improvements.
9. Other Support-Related Requirements - Includes development and procurement funding for support-related engineering change orders and product improvements (e.g., R&M Improvement Program) or other special programs (e.g., software maintenance equipment).

LAST PAGE

TRIAL PROCEDURES FOR FY-84 BUDGET REVIEW
OF WEAPON SYSTEM LOGISTIC SUPPORT RESOURCES
(ACQUISITION IMPROVEMENT INITIATIVE #30)

Introduction

Acquisition Improvement Initiative #30 requires OSD and the Services to improve the visibility to top management of weapon system support resources throughout the PPBS cycle, and to increase the involvement of program managers in programming, budgeting and weapon system support funding execution. The initiative calls for a consolidated review of weapon system support funding as part of the POM and budget reviews. An initial trial of budget review procedures was completed in January 1982. A trial program review was conducted on three weapon systems per Service in parallel with the FY 84-88 POM review. This trial will be continued through the FY-84 budget review to evaluate the revised procedures and formats and to recommend further improvements for long term implementation. The weapon systems to be reviewed in the trial are:

Army - M-1, UH-60, MLRS
Navy - F/A-18, AEGIS, Tomahawk
Air Force - GLCM, NGT, EDS

Weapon System Support Funding Information

The budget review will focus on FY-84 requirements and funding for weapon system support. To meet the schedule for budget hearings and program budget decisions (PBD's), the following weapon system support information should be provided one week after Service budget estimate submission (no briefings are required):

- o Chart 1 - Schedule and Readiness Objectives
- o Chart 2 - Summary Funding Profile (Update from PCM submission)
- o Chart 3 - Budget Year Display
- o Backup Information - Basis for Requirements

Formats for Charts 1, 2 and 3, and guidance on backup information, are attached. These should be tailored as necessary to fit individual weapon systems and Service data systems. Backup information (no fixed format) should be included to show the basis for requirements in Chart 3. To the maximum practical extent this backup information should show the relationship between schedule/readiness objectives and support resource requirements.

A Service point of contact should be established for support funding for each weapon system. If this point of contact is outside the program manager's office, Service Secretaries should provide for close liaison to keep the PM involved in the budget review process.

Review Procedures

OASD(C), MRA&L, USDRE, and DPA&E action officers will be assigned to coordinate the review of weapon system support information as a supplement to the usual functional review of the Service budget submissions. Throughout the review, questions regarding weapon system support will be channeled to the designated Service point of contact.

The Services will track the effects of PBD's on weapon system support funding throughout the budget review process, and will provide an update of Chart 3 by November 20, 1982. OASD(C) and MRA&L will jointly determine whether a general PBD on weapon system support is warranted to resolve any remaining funding problems. The weapon system support funding in the "final" DoD budget will be documented in an OSD memorandum to the Service Secretaries, with a copy to the program manager of each of the nine weapon systems.

CHART 1

SYSTEM
SCHEDULE AND READINESS OBJECTIVES

1. SCHEDULE

SHOW EXISTING PROGRAM SCHEDULE INFORMATION (FROM ILS PLAN, DSARC BRIEFINGS, WEAPON PLANNING DATA, ETC.) WHICH INCLUDES:

- o WEAPON SYSTEM DELIVERIES
- o SITE/UNIT ACTIVATIONS
- o TRANSITION FROM CONTRACTOR TO ORGANIC SUPPORT
- o "NEED DATES" FOR SUPPORT ELEMENTS

2. READINESS OBJECTIVES AND UTILIZATION

SHOW PEACETIME AND WARTIME READINESS GOALS.

FOR EXAMPLE, (ATTACK AIRCRAFT):

- o PEACETIME: 70% MISSION CAPABLE RATE AT PEACETIME UTILIZATION OF 30 FLIGHT HOURS/AIRCRAFT/MONTH.
- o WARTIME: AVERAGE SORTIE GENERATION RATE OF 1.8 SORTIES/AIRCRAFT/DAY SUSTAINED OVER 30 DAYS.

CHART 2

(SEE ATTACHED NOTES)

SUMMARY FUNDING PROFILE

SUPPORT ELEMENT 1/ 2.	SYSTEM (\$M, THEN YEAR)	(FY-83)				(FY-84)				(FY-85)				(FY-86)				(FY-87)				(FY-88)				REMARKS 1/
		REQUIREMENT 2/ FUNDING 3/	XXX	YYY	ZZZ	REQUIREMENT 2/ FUNDING 3/	XXX	YYY	ZZZ	REQUIREMENT 2/ FUNDING 3/	XXX	YYY	ZZZ	REQUIREMENT 2/ FUNDING 3/	XXX	YYY	ZZZ	REQUIREMENT 2/ FUNDING 3/	XXX	YYY	ZZZ	REQUIREMENT 2/ FUNDING 3/	XXX	YYY	ZZZ	
1. SPARES AND REPAIR PARTS (INITIAL, REPLENISH- MENT, WAR RESERVE)																										
2. SUPPORT AND TEST EQUIPMENT (COMMON AND PECULIAR)																										
3. TRAINING AND TRAINING DEVICES																										
4. PUBLICATIONS / TECH DATA																										
5. DEPOT REPAIR (CONTRACTOR AND ORGANIC)																										
6. CONTRACTOR SUPPORT (BELOW DEPOT)																										
7. FACILITIES (NON-PRODUCTION)																										
8. ILS MANAGEMENT/ANALYSIS																										
9. OTHER SUPPORT-RELATED REQUIREMENTS (E.G., RELIABILITY IMPROVEMENT PROGRAM)																										

CHART 2 NOTES

NOTE 1. SUPPORT ELEMENT DEFINITIONS

1. Spares and Repair Parts - Includes reparable, both GFE and CFE, and consumables (to the extent identifiable by weapon system) needed for initial outfittings and higher echelon pipelines. Also includes replenishment and war reserve spares.
2. Support and Test Equipment (S&TE) - Includes development and procurement of peculiar S&TE (e.g., test program sets) and major items of common S&TE (automated test stations, fuel storage and handling equipment, etc.) required for the new system.
3. Training and Training Devices - Includes development (to the extent separately identifiable in existing PM or training developer data sources) and procurement of both operator and maintainer training courses and materials, simulators and other training devices, and factory training.
4. Publications/Tech Data - Includes development and procurement of operator manuals, maintenance manuals for each echelon of maintenance and other technical data (drawings, parts breakdowns, etc.)
5. Depot Repair - Includes labor, material and overhead for both organic and contractor depot maintenance.
6. Contractor Support - Includes all funding for contractor repair and other technical services associated with below-depot maintenance. Also includes contractor management of maintenance and supply services.
7. Facilities - Includes all MILCON-funded new construction and facilities modification identified as support requirements for the new system (except production facilities).
8. ILS Management/Analysis - Includes development/revision of manpower, training and support plans; logistic support analysis; and analysis of test and early field data to determine needed logistic improvements.
9. Other Support-Related Requirements - Includes development and procurement funding for support-related engineering change orders and product improvements (e.g., R&M Improvement Program) or other special programs (e.g., software maintenance equipment).

NOTE 2.

"Requirement" represents the Service estimate of all valid requirement to meet PM's schedule and readiness objectives, and includes both active and reserve force requirements.

NOTE 3.

"Funding" for FY 83 should be consistent with the FY 1983 President's Budget, and for FY 84-88 should be consistent with the Service POM submission.

NOTE 4. Remarks

Note impact of any shortfalls in funding on schedule and readiness objectives.

CHART 3

(See Attached Notes)

FY84 SUPPORT FUNDING

WEAPON SYSTEM
(millions of FY84 dollars)

SUPPORT ELEMENT	REQUIREMENT	APPROPRIATION	FUNDING	FUNDING DESCRIPTION	REMARKS
1. Spares and Repair Parts	XXX.X	—	YYY.Y YYY.Y <u>YYY.Y</u>		
		—	Total YYY.Y		
2. Support and Test Equipment	XXX.X	—	YYY.Y <u>YYY.Y</u>		
		—	Total YYY.Y		
3. Training and Training Devices					
4. Publications and Tech Data					E T C...
			Total		
5. Depot Repair					
			Total		
6. Contractor Support (Below Depot)					
			Total		

CHART 3

(See Attached Notes)

FY84 SUPPORT FUNDING

WEAPON SYSTEM
(millions of FY84 dollars)

SUPPORT ELEMENT	REQUIREMENT	APPROPRIATION	FUNDING	DESCRIPTION	REMARKS
7. Facilities (non-production)					
	Total				
8. ILS Management/Analysis					
	Total				
9. Other Support Related Requirements (e.g., Reliability Improvement Program)					

CHART 3 NOTES

1. Requirement - Support resources recognized by the Services as valid requirement to meet weapon system schedule and readiness objectives.
2. Support Elements - Definitions in Chart 2 Notes apply.
3. Appropriation - Include all appropriations funding the support element.
4. Funding - Funding amounts by appropriation (see Note 5) which are identifiable or allocatable to the weapon system within the Service budget submission.
5. Funding Description - From the Service budget submission:
 - For RDT&E, list by program element title, number and amounts. Indicate project titles, numbers and amounts.
 - For Procurement, indicate budget activity, P-1 line item and title.
 - For O&M, identify the Activity/ Group (Part 2 of the OP-5 exhibit) and the sub-activity groupings, where applicable. (For example: airframes, engines component or exchangeable repairs.)
 - For MILCon, indicate installation project title.
6. Remarks. For any of the nine listed support elements where the requirement exceeds the funding, note the impact on weapon system support schedules, on readiness objectives, or on resource requirements for other support elements (e.g., impact of test equipment shortfall on spares requirement).
 - Identify any changes from the last Initiative #30 submission. (These should be further explained in the Backup Information).
 - In the November 20th update, identify any PBDs which have an effect on support requirements or funding.

FY-84 BACKUP INFORMATION

Backup information should summarize the basis for the requirements. For Example:

- o Spares and Repair Parts. Backup should identify the model or approach used to estimate spares requirements, and current reliability estimates (based on tests or early field experience). Requirements should be broken out for initial spares and repair parts, replenishment spares and repair parts, and war reserve secondary items. If there are significant risks in the support planning assumptions (e.g., availability of support and test equipment), the potential impact on spares should be discussed.
- o Support and Test Equipment. Backup should show the relationship between funding requirements, site/unit activations, and the schedule for transition from contractor to organic maintenance at each maintenance echelon.
- o Training and Training Equipment. Operator and maintenance training requirements should be separately broken out. Training requirements should be related to site/unit activation dates and organic support dates.
- o Depot Repair. Contractor and organic depot repair requirements should be separately broken out. The basis for computation should be summarized (flying hours, etc.). A breakout should be provided for end item depot repair (e.g., airframe rework) and major component repair (e.g., engine rework, aircraft component rework).

TRIAL PROCEDURES FOR FY 84-88 PROGRAM REVIEW
OF WEAPON SYSTEM LOGISTIC SUPPORT RESOURCES
(ACQUISITION IMPROVEMENT INITIATIVE #30)

Introduction

Acquisition Improvement Initiative #30 requires OSD and the Services to improve the visibility of weapon system support resources throughout the PPBS cycle, and to increase the involvement of program managers in programming, budgeting and weapon system support funding execution. The initiative calls for a consolidated review of weapon system support funding as part of the OSD POM and budget reviews. A trial of budget review procedures was completed in January 1982. Procedures are outlined below for a trial program review to be conducted on several weapon systems per service in parallel with the FY 84-88 POM review. The objectives of the trial are:

- o To determine the feasibility of identifying support resource requirements and programmed funding by weapon system in the program review.
- o To evaluate the trial procedures and formats and to recommend improvements for long term implementation.

Weapon System Support Funding Information

The program review will focus on identifying requirements for weapon system support. To meet the schedule for POM issues, the following weapon system support information should be provided one week after POM submission (no briefings are required):

- o Chart 1 - Schedule and Readiness Objectives
- o Chart 2 - Summary Funding Profile
- o Backup Information - Basis for Requirements

Formats for Charts 1 and 2, and guidance on backup information, are attached. These should be tailored as necessary to fit individual weapon systems and Service data systems. Backup information (no fixed format) should be included to show the basis for requirements in Chart 2. To the maximum practical extent this backup information should show the relationship between schedule/readiness objectives and support resource requirements.

A Service point of contact should be established for support funding for each weapon system. If this point of contact is outside the program manager's office, Service procedures should provide for close liaison to keep the PM involved in the POM review process.

Review Procedures

OASD(C), MRA&L, USDRE, and DPA&E action officers will be assigned to coordinate the review of weapon system support information as a supplement to the usual functional review of the Service POMs. Throughout the POM review, questions regarding weapon system support will be channeled to the designated Service point of contact. A summary of weapon system support requirements and funding for the selected systems will be prepared by MRA&L and forwarded to the DRB.

Attachments

CHART 1

SYSTEM
SCHEDULE AND READINESS OBJECTIVES

1. SCHEDULE

SHOW EXISTING PROGRAM SCHEDULE INFORMATION (FROM ILS PLAN, DSARC BRIEFINGS, WEAPON PLANNING DATA, ETC.) WHICH INCLUDES:

- o WEAPON SYSTEM DELIVERIES
- o SITE/UNIT ACTIVATIONS
- o TRANSITION FROM CONTRACTOR TO ORGANIC SUPPORT
- o "NEED DATES" FOR SUPPORT ELEMENTS

C-18

2. READINESS OBJECTIVES AND UTILIZATION

SHOW PEACETIME AND WARTIME READINESS GOALS.

FOR EXAMPLE, (ATTACK AIRCRAFT):

- o PEACETIME: 70% MISSION CAPABLE RATE AT PEACETIME UTILIZATION OF 30 FLIGHT HOURS/AIRCRAFT/MONTH.
- o WARTIME: AVERAGE SORTIE GENERATION RATE OF 1.8 SORTIES/AIRCRAFT/DAY SUSTAINED OVER 30 DAYS.

CHART 2
(SEE ATTACHED NOTES)

SUMMARY FUNDING PROFILE

SUPPORT ELEMENT 1/ 2.	SYSTEM (\$M, THEN YEAR)	(FY-83)				(FY-84)				(FY-85)				(FY-86)				(FY-87)				(FY-88)				REMARKS 4/			
		REQUIREMENT 2/ FUNDING 3/	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT 2/ FUNDING 3/	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT 2/ FUNDING 3/	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT 2/ FUNDING 3/	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT 2/ FUNDING 3/	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT 2/ FUNDING 3/	XXX YYY	XXX YYY	XXX YYY				
1. SPARES AND REPAIR PARTS (INITIAL, REPLENISH- MENT, WAR RESERVE)		REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY				
2. SUPPORT AND TEST EQUIPMENT (COMMON AND PECULIAR)		REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY				
3. TRAINING AND TRAINING DEVICES		REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY				
4. PUBLICATIONS / TECH DATA		REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY				
5. DEPOT REPAIR (CONTRACTOR AND ORGANIC)		REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY				
6. CONTRACTOR SUPPORT (BELOW DEPOT)		REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY				
7. FACILITIES (NON-PRODUCTION)		REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY				
8. ILS MANAGEMENT/ANALYSIS		REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY				
9. OTHER SUPPORT-RELATED REQUIREMENTS (E.G., RELIABILITY IMPROVEMENT PROGRAM)		REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY				

CHART 2 NOTES

NOTE 1. SUPPORT ELEMENT DEFINITIONS

1. Spares and Repair Parts - Includes reparable, both GFE and CFE, and consumables (to the extent identifiable by weapon system) needed for initial outfittings and higher echelon pipelines. Also includes replenishment and war reserve spares.
2. Support and Test Equipment (S&TE) - Includes development and procurement of peculiar S&TE (e.g., test program sets) and major items of common S&TE (automated test station, fuel storage and handling equipment, etc.) required for the new system.
3. Training and Training Devices - Includes development (to the extent separately identifiable in existing PM or training developer data sources) and procurement of both operator and maintainer training courses and materials, simulators and other training devices, and factory training.
4. Publications/Tech Data - Includes development and procurement of operator manuals, maintenance manuals for each echelon of maintenance, and other technical data (drawings, parts breakdowns, etc.)
5. Depot Repair - Includes labor, material and overhead for both organic and contractor depot maintenance.
6. Contractor Support - Includes all funding for contractor repair and other technical services associated with below-depot maintenance. Also includes contractor management of maintenance and supply services.
7. Facilities - Includes all MILCON-funded new construction and facilities modification identified as support requirements for the new system (except production facilities).
8. ILS Management/Analysis - Includes development/revision of manpower, training and support plans; logistic support analysis; and analysis of test and early field data to determine needed logistic improvements.
9. Other Support-Related Requirements - Includes development and procurement funding for support-related engineering change orders and product improvements (e.g., R&M Improvement Program) or other special programs.

NOTE 2.

"Requirement" represents the Service estimate of all valid requirement to meet PM's schedule and readiness objectives, and includes both active and reserve force requirements.

NOTE 3.

"Funding" for FY 83 should be consistent with the FY 1983 President's Budget, and for FY 84-88 should be consistent with the Service POM submission.

NOTE 4. Remarks

Note impact of any shortfalls in funding on schedule and readiness objectives.

BACKUP INFORMATION

Backup information should summarize the basis for the requirements. For example:

- o Spares and Repair Parts. Backup should identify the model or approach used to estimate spares requirements, lead time and need date assumptions, reliability assumptions, and current reliability estimates (based on tests or early field experience). Requirements should be broken out for initial spares and repair parts, replenishment spares and repair parts, and war reserve secondary items. If there are significant risks in the support planning assumptions (e.g., availability of support and test equipment), the potential impact on spares should be discussed.
- o Support and Test Equipment. Backup should show the relationship between funding requirements, site/unit activations, and the schedule for transition from contractor to organic maintenance at each maintenance echelon.
- o Training and Training Equipment. Operator and maintenance training requirements should be separately broken out. Training requirements should be related to site/unit activation dates and organic support dates.
- o Depot Repair. Contractor and organic depot repair requirements should be separately broken out. The basis for computation should be summarized (flying hours, etc.) A breakout should be provided for end item depot repair (e.g., airframe rework) and major component repair (e.g., engine rework, aircraft component rework).

TRIAL PROCEDURES FOR FY-83 BUDGET REVIEW OF
WEAPON SYSTEM LOGISTIC SUPPORT RESOURCES

Introduction

Decision 30 (Item G) of the April 30, 1981 DEPSECDEF memorandum on improving the acquisition process requires several changes for improving the program manager's motivation to manage, and accountability for, logistic support resources. One of the changes requires OSD to have a single review of support funding associated with selected weapons systems entering production. To accomplish the goal of a single OSD review, it is intended that the program manager will present a summary of budget data and planning factors in the format of the attached charts to an assembly of the OSD budget analysts and other OSD offices concerned with support funding for the specific weapons system. Service budgets will be reviewed by the OSD analysts in the various appropriations, but the outcome of those separate reviews will be measured against the summary data presented in these charts. Procedures are outlined below.

Program Manager's Presentation

A presentation by the program manager or his representative will be scheduled about a week after Service budget submission, and will include:

- o Support Schedule and Readiness Objectives
(See Chart 1, attached)
- o Summary Weapon System Support Funding Profile
(See Chart 2, attached)
- o Weapon System Support Requirements vs. Budget Year Funding
(See Chart 3, attached)

The program manager (or his representative) should also be prepared to clarify requirements, discuss support problems, and address the impact of funding shortfalls on schedule and, to the extent possible, on readiness objectives. (The long term goal is to improve the ability to quantitatively relate resource decisions to weapon system readiness.)

Budget Review

Following the program manager's presentation, the OSD budget review will proceed in the various appropriations, as usual. Funding problems raised in the presentation may be pursued by the OSD budget analyst in the course of this review. All program/budget decisions (PBD's) which affect weapon system support funding, as identified in Chart 3, will include both identification of any amount added/deleted for the specific weapon system, and an assessment of the effect on weapon system support schedule and readiness objectives. For example, a PBD imposing a cut in replenishment spares funding would state whether the mark applied across the board, or selectively; if support funding shown in Chart 3 is affected, the PBD would show the amount and discuss the impact of the change.

OSD will maintain a record of the changes to weapon system support funding identified in Chart 3 due to approved PBD's. At the end of the OSD budget review cycle, OASD(C) and (MRA&L) will jointly determine whether a general PBD on weapon system support is warranted to resolve any remaining funding problems, and the "final" update of Chart 3 will be completed. The weapon system support funding included in the budget will be documented in a memorandum to the DRB principals, with a copy to the program manager.

SCHEDULE AND READINESS OBJECTIVES

1. SCHEDULE

SHOW EXISTING PROGRAM SCHEDULE INFORMATION FROM ILS PLAN, DSARC BRIEFINGS, WEAPON SYSTEM PLANNING

DATA, ETC.) WHICH INCLUDES:

- o WEAPON SYSTEM DELIVERIES
- o SITE/UNIT ACTIVATIONS
- o TRANSITION FROM CONTRACTOR TO ORGANIC SUPPORT
- o "NEED DATES" FOR SUPPORT ELEMENTS

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2. READINESS OBJECTIVES

SHOW PEACETIME AND WARTIME READINESS GOALS.

FOR EXAMPLE, (ATTACK AIRCRAFT):

- o PEACETIME: 70% MISSION CAPABLE RATE AT PEACETIME UTILIZATION OF 30 FLIGHT HOURS/AIRCRAFT/MONTH.
- o WARTIME: AVERAGE SORTIE GENERATION RATE OF 1.8 SORTIES/AIRCRAFT/DAY SUSTAINED OVER 30 DAYS.

CHART 2
(SEE ATTACHED NOTES)

SUMMARY FUNDING PROFILE

SYSTEM
(\$M, Then Year)

SUPPORT ELEMENT	/1	/2	PRIORITY YEAR	FY-BY	OUTYEARS			REMARKS /4
					FY	FY	FY	
1. SPARES AND REPAIR PARTS		REQUIREMENT FUNDING/3	XXX YYY	XXX YYY	XXX YYY	XXX YYY	XXX YYY	
2. SUPPORT AND TEST EQUIPMENT		REQUIREMENT FUNDING	XXX YYY	XXX YYY	XXX YYY	XXX YYY	XXX YYY	

E T C.

CHART 2 NOTES

NOTE 1. SUPPORT ELEMENT DEFINITIONS (See attached Addendum for Navy use)

1. Spares and Repair Parts - Includes reparable, both GFE and CFE, and consumables (to the extent identifiable by weapon system) needed for initial outfittings and higher echelon pipelines. Also includes war reserve spares.
2. Support and Test Equipment (S&TE) - Includes development and procurement of peculiar S&TE and major items of common S&TE (e.g. automated test stations) required for the new system.
3. Training and Training Devices - Includes development (to the extent separately identifiable in existing PM or training developer data sources) and procurement of both operator and maintainer training courses and materials, simulators and other training devices, and factory training.
4. Publications/Tech Data - Includes development and procurement of operator manuals, maintenance manuals for each echelon of maintenance, and other technical data (drawings, parts breakdowns, etc.).
5. Depot Repair - Includes labor, material and overhead for both organic and contractor depot maintenance.
6. Contractor Support - Includes all funding for contractor repair and other technical services associated with below-depot maintenance. Also includes contractor management of maintenance and supply services.
7. Facilities - Includes all MILCON-funded new construction and facilities modification identified as requirements for the new system (except production facilities).
8. ILS Management/Analysis - Includes development/revision of manpower, training and support plans; logistic support analysis; and analysis of test and early field data to determine needed logistic improvements.
9. Other Support-Related Requirements - Includes development and procurement funding for support-related engineering change orders and product improvements (e.g. R&M Improvement Program) or other special programs.

NOTE 2.

"Requirement" is funding amount recognized by Service as valid requirement to meet PM's schedule and readiness objectives.

NOTE 3.

"Funding" is:

- o For prior year, the amount included in the President's budget.

- o For budget year and outyears, the amount included in the Service budget submission.

NOTE 4. Remarks

Note impact of any shortfalls in funding on schedule and readiness objectives.

CHART 3
(SEE ATTACHED NOTES)

SYSTEM _____
ANALYTIC SUPPORT REQUIREMENTS VS. FUNDING
(\$M, FY-8Y)

REQUIREMENT		FUNDING				REMARKS	
/1		/2				/3	
SUPPORT ELEMENT		SUBTOTALS		TOTAL		FUNDING DESCRIPTION	
/4		/5		/6		/7	
1. Spares and Repair Parts		XXX.X		YYY.Y		Z.O: AFM6/P-1 Line x/100-10	
a. Spares (Repairable)						Initial Spares	
Initial							
Replenishment							
War Reserve							
b. Repair Parts (Consumables)							
Initial							
Replenishment							
War Reserve							
2. Support and Test Equipment		XXX.X		YYY.Y			
a. Particular							
Organizational							
Intermediate							
Input							
b. Common							
Organizational							
Intermediate							
Output							
3. Training and Training Devices		XXX.X		YYY.Y			
a. Operator							
b. Maintainer							

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CHART 3 (continued)

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EXPLANATION		FUNDING				REMARKS			
SUPPORT ELEMENT	/2	SUBTOTALS	TOTAL	/4	AMOUNT	/5	FUNDING DESCRIPTION	/6	IMPACT OF SIGNIFICANCE
4. Publications/Tech Data			XXX.X	YYY.Y					
a. Operator Manuals									
b. Maintenance Manuals									
c. Other Tech Data									
5. Depot Repair			XXX.X	YYY.Y					
a. Organic									
Airframe									
Engine									
Components									
b. Contractor									
6. Logistics Support (Below depot)			XXX.X	YYY.Y					
(maintenance support, supply management services, etc.)									
7. Facilities (non-production)			XXX.X	YYY.Y					
a. Operational									
b. Maintenance									
c. Training									
d. Other									
8. ILS Management/Analysis			XXX.X	YYY.Y					
9. Other Support-related Requirements (e.g., Reliability Improvement Program)			XXX.X	YYY.Y					

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CHART 3 NOTES

1. Requirement - Support resources recognized by the Service as valid requirement to meet weapon system schedule and readiness objectives.
2. Support Elements - Breakdown of support elements should be tailored to fit individual weapon systems.
3. Total Requirement - Total funding required for each of the nine listed support elements.
4. Total Funding - Total funding contained in the Service budget submission for each of the nine listed support elements. If the support element requirement is fully funded, the "Total Requirement" and "Total Funding" columns will match.
5. Amount - Funding amounts by appropriation (see Note 6), which make up the "Total Funding" for the support element, and which are identifiable or allocatable to the weapon system within the Service budget submission. Need not match the support element breakdown.
6. PBD - Program Budget Decision number for PBD planned to cover funds listed in "Amount" column.
7. Funding Description - From the Service budget submission:
 - o For RDT&E, list by program element title, number and amount. Indicate project titles, numbers and amounts.
 - o For Procurement, indicate budget activity, P-1 line item and title.
 - o For O&M, identify the Activity Group (Part 2 of the OP-5 exhibit) and the sub-activity groupings, where applicable. (For example: airframes, engines component or exchangeable repairs.)
 - o For MilCon, indicate installation project title.
8. Schedule/Readiness Impacts - For any of the nine listed support elements where the requirement exceeds the funding, note the impact on weapon system support schedules, on readiness objectives, or on resource requirements for other support elements (e.g., impact of test equipment shortfall on spares requirement).

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20. ABSTRACT (Continue on reverse side if necessary and identify by block number) Improving the management of support resources for major weapon systems is a crucial goal for the Department of Defense. The problem of weapon systems being inadequately supported in the field because of fragmented decision making in the allocation of support resources (e.g., spares, support and test equipment) was addressed in DoD Acquisition Improvement Initiative #30. New management procedures to help correct this problem have been tested over the past year and a half. During the test, the Military Departments provided the		

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20. (Cont.)

Office of the Secretary of Defense (OSD) with data that summarized the support resources required by and allocated to nine sample weapon systems. These data were reviewed by OSD at key points in the Planning, Programming and Budgeting (PPB) process.

Based on our evaluation of the test results, we recommend that the procedures used in the program and budget trial reviews be formalized and implemented in future PPB cycles. They have proven to be both feasible and beneficial. To take full advantage of the implementation of Initiative #30, we also recommend that the Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) (OASD(MRA&L)) strengthen its weapon system perspective and concentrate more attention on weapon support during program and budget reviews. Finally, we recommend that OSD monitor the progress of the Military Departments in implementing their plans for improved internal management of support resources.

These recommendations are based on two main findings. First, it is feasible for the Military Departments to pull together most of the requested support data on selected weapon systems. However, this task is difficult for the Army and Navy to accomplish because they do not have systematic and automated procedures to produce the data. The Air Force does have such systems. Second, OSD was able to evaluate the support data for selected weapon systems and to influence the resource allocation decisions made in both the program and budget reviews. However, OSD's capability to review and validate weapon support requirements could be improved with a more balanced effort between functional and weapon system issues.

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